

**TOWNSHIP OF ALBEE AND MAPLE GROVE
POLICE DEPARTMENT
SAGINAW COUNTY**

FINANCIAL STATEMENTS

MARCH 31, 2005

Michigan Department of Treasury
496 (2-04)**Auditing Procedures Report**

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Albee Twp & Maple Grove Twp Police Dept.	County Saginaw
Audit Date 3/31/05	Opinion Date 7/7/05	Date Accountant Report Submitted to State: 7-20-05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGR).			✓

Certified Public Accountant (Firm Name)

DEMIS & WENZLICK P.C.

Street Address

217 N WASHINGTON, SUITE 203

City

OWOSSO

State

MI

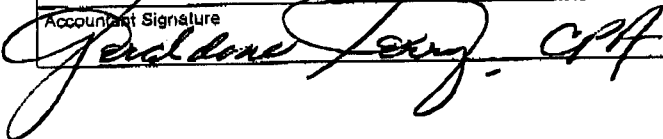
ZIP

48867

Date

8-24-05

Accountant Signature





DEMIS and WENZLICK, P.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Joint Administrative Board
Police Department of
Albee Township and Maple Grove Township (Saginaw County)
17010 Lincoln Road
New Lothrop, Michigan 48460

We have audited the accompanying general-purpose financial statements of the Albee Township and Maple Grove Township Police Department, Saginaw County, Michigan as of and for the year ended March 31, 2005. These financial statements are the responsibility of the Police Department's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amount and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and change in financial position of its governmental activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Department, as of March 31, 2005, in conformity with generally accepted accounting principles in the United States of America.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information has been subjected to the auditing procedures applied in the examination of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Our report of comments and recommendations dated July 7, 2005 has been submitted under separate cover.

Davis and Bergstedt, P.C.

Certified Public Accountants

Owosso, Michigan
July 7, 2005

ALBEE TOWNSHIP and MAPLE GROVE TOWNSHIP

POLICE DEPARTMENT

BALANCE SHEET

	<u>MARCH 31,</u>	
	<u>2005</u>	<u>2004</u>
<u>ASSETS:</u>		
Cash	\$ 2,901	\$ 3,262
Due from Municipalities:		
Albee Township	9,273	4,449
Maple Grove Township		
Total Assets	<u>\$12,174</u>	<u>\$ 7,711</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS:</u>		
LIABILITIES:		
Accounts payable	\$ 3,422	\$ 382
Due to Maple Grove Township	1,340	
EQUITY AND OTHER CREDITS:		
Fund Equity	<u>7,412</u>	<u>7,329</u>
Total liabilities, equity and other credits	<u>\$12,174</u>	<u>\$ 7,711</u>

The accompanying notes are an integral part of these financial statements.
See independent's auditor's report.

ALBEE TOWNSHIP and MAPLE GROVE TOWNSHIP

POLICE DEPARTMENT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGED IN FUND EQUITY

For the Fiscal Year ended March 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
REVENUES:		
State shared revenue - Liquor license fees:		
Albee Township	\$ —	\$ 998
Maple Grove Township	440	440
Intergovernmental revenues:		
Albee Township	12,133	7,949
Maple Grove Township	14,660	9,600
Other		
Total Revenues	<u>27,233</u>	<u>18,987</u>
EXPENDITURES:		
Administrative:		
Office supplies & miscellaneous	12	—
Independent accounting and auditing	500	—
Contractual service - Saginaw County Sheriff's Dept.:		
Basic contract fee	<u>26,638</u>	<u>23,530</u>
Total Expenditures	<u>27,150</u>	<u>23,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	83	(4,543)
FUND EQUITY, BEGINNING OF FISCAL YEAR	<u>7,329</u>	<u>11,872</u>
FUND EQUITY, END OF FISCAL YEAR	<u>\$ 7,412</u>	<u>\$ 7,329</u>

The accompanying notes are an integral part of these financial statements.
See independent's auditor's report.

ALBEE TOWNSHIP AND MAPLE GROVE TOWNSHIP

POLICE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

ORGANIZATION:

During 1991, the townships of Albee and Maple Grove joined together under State Act 33 of PA 1951 and Act 81 PA 1981 in establishing, maintaining, and equipping a jointly operated police department.

The township under Act 78 of P.A. of 1989, have contracted with the Saginaw County sheriff to provide special police protection for the two townships.

The Police Department is administered by a five member Joint Administrative Board.

BASIS OF ACCOUNTING:

The Department utilizes the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Expenditures are recognized when the related liability is incurred, provided the liability normally would be liquidated with expendable available financial resources. Modification from the accrual basis are as follows:

- Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.
- Normally, expenditures are not divided between years by recording of prepaid expenses.

CAPITAL OUTLAY and DEPRECIATION:

Capital expenditures for items having a useful life of more than one year are expensed in the year of outlay.

ALBEE TOWNSHIP AND MAPLE GROVE TOWNSHIP

POLICE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

March 31, 2005 – continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - continued

CASH, CASH EQUIVALENTS AND INVESTMENTS:

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

State statutes authorize the Department to invest in U.S. government obligation, certificates of deposit, commercial paper, repurchase agreements, bankers' acceptances, and with some restrictions, mutual funds. An attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan.

All investments, if any, are stated at cost or amortized cost and are made in accordance with State Act 217, P.A. 1982.

NOTE 2: DEPOSIT AND INVESTMENTS:

The bank carrying value of deposits held with financial institutions equates to the Department's carrying value of \$2,901. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 2,901
Uncollateralized and uninsured	<u>0</u>
Total bank balance	<u>\$ 2,901</u>

NOTE 3: FIXED ASSETS:

The Department has no vehicles and equipment in its name.

NOTE 4: INTERGOVERNMENTAL REVENUE:

Currently, the Townships of Albee and Maple Grove appropriate 0.248 mills of property taxable valuation from their general fund for the joint police department.

The accompanying notes are an integral part of these financial statements
See independent's auditor's report.



DEMIS and WENZLICK, P.C.

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Joyce M. Simmons
Gail Winnick, C.P.A.

Members of the Joint Administrative Board
Police Department of Albee Township and Maple Grove Township
Saginaw County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Police Department for the year ended March 31, 2005.

As a result of our examination of the Departments financial statements, we make the following comment:

BUDGET

Act 33 of 1951 regarding Police and Fire Protection requires that the administrative board shall prepare an annual budget to be reviewed by the township board.

Certified Public Accountants

Owosso, Michigan
July 7, 2005